APPENDIX D-2
IT CAPITAL INVESTMENT PROPOSAL CRITERIA

This appendix is a guide to completing the Information Technology (IT) Capital Investment Proposal Criteria. It includes descriptions, examples, and potential data sources for each of the criteria that need to be addressed in the proposal application. Proposals will be evaluated based upon their ability to include the required elements defined in this document.

There are examples for each IT Capital Investment criterion. These examples indicate the suggested data type and information that are useful in evaluating proposals. They are by no means the only acceptable responses. They merely serve as content suggestions.

Data calculations and documentation (such as, surveys, industry analysis, primary source documentation, etc.) should support all statements and assumptions. This information will be researched and assembled by the proposal team.

1. MISSION (WEIGHT: 0.463)

The mission of VA serves as the guide for all VA efforts. It defines the foundation upon which all projects must be rooted.   All projects must support the current VA Strategic Plan.

Please summarize the project's adherence to the following mission requirement:
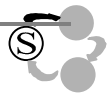
- Describe how these projects support and/or integrate with the VA Strategic Plan, and the organization (e.g., VHA, VBA, NCA, Staff Offices) business and administrative plans.

1.1 Organizational Improvement

Please address the following organizational improvement requirements:
- Show "strategic linkages" and "baseline assessments," as described in the OMB Capital Programming Guide;
- Quantify and qualify the mission or program improvement;
- Describe how the project enhances performance (quality); reduces costs; improves processes; improves accuracy; or improves productivity;
- Provide quantitative information (e.g., projections, as well as the basis for those projections). Where quantitative information is not available, please provide specific qualitative information, as well as the basis for the information;
- Provide studies and/or statistical analyses as support documentation.

Government Paperwork Elimination Act (GPEA): In addition, describe how your project moves the Department toward a "paperless" environment for business

APPENDIX D-2 (IT CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

processes that interact with the veteran and how these plans integrate into overall support for your overall technology infrastructure, the Department's IT Strategic Plan, and the Department's business Strategic Plan. In particular, describe how your proposal meets customer needs and demands for electronic access while taking into account and addressing fraud, error, and misuse. Also identify the risks associated with electronic access, as well as a summary of the benefits that will accrue. Describe plans for the use of experts to maintain currency relative to the state of technology and the law with regard to electronic access. If you're project does not support the Government Paperwork Elimination Act (GPEA), this should be stated.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:
- one that answers all of the preceding stated requirements.
    -Or-
- a rationale for those proposals that will not have any impact on Organizational Improvement, if applicable.

Good: Good responses are those that address all of the above stated requirements and include conclusive data to support all statements.
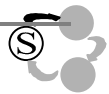
A good response might include, but is not limited to, the following:

> This proposal meets Objective 5.5 of VA Strategic Goal 5 by improving overall governance and operational management of VA's assets. As shown by our Cost-Benefit Analysis, we expect to achieve a positive financial return on this investment along with several qualitative returns that meet other Objectives under the VA strategy.

> Actual implementation of a new on-line benefits program website will increase awareness of and access to benefits and services for veterans and their families (Goal 5, Objective 5.1) by providing a 24 hour, 7 day a week access to the necessary forms and databases required to apply for benefits. While our demographic studies indicate that this will initially service only about 40 percent of the existing veteran population, it will allow VA to decrease its existing customer service staff by 20 percent and retrain an additional 10 percent of that staff in the technologies/processes necessary to support an on-line benefits program. This supports Objective 5.3 of Goal 5 through the continual development of our existing workforce and provides the intangible benefit of employee growth.

> The full Cost-Benefit Analysis is attached, however we expect a positive return of 30% over a 5 year period. The total net present cost of the system will be $1.1 million with annual real O&M costs of $820,000. The total quantified real savings over this same 5 year period is $6.78 million resulting in an NPV of $1.58 million.

> In addition to employee growth through retraining, other unquantified benefits include: improved efficiencies with reporting to management, improved demographic information, increased

APPENDIX D-2 (IT CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

exposure to the veteran population, improved data quality and access, improved access for veterans, and increased productivity of customer service workers responding to the on-line system. A complete list of benefits can be found in the CBA.

We have provided statistical, financial, and demographic information to support our assertion that the implementation of an on-line benefits system will contribute to our overall organizational improvement.

Possible Data Source:
- OMB Capital Programming Guide.
- Department of Veterans Affairs Strategic Plan.

1.2 One VA Enterprise Architecture

Describe how your project supports crosscutting opportunities identified in the VA IT Strategic Plan. Two documents, the VA IT Vision document, Vision of Information Technology Enhanced Customer Service and the Enterprise Architecture describe a future view for using current and emerging technology and bring together information on VA-wide business processes, information, applications, data, and the systems infrastructure. They form an integrated framework of principles, guidelines, and rules for evolving and maintaining existing systems and acquiring new information technology. Describe how your proposal supports this future view and integrated framework.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.
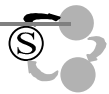
Acceptable: An acceptable response includes:
- one that answers all of the above stated requirements.
     -Or-
- a rationale for those proposals that will not have any impact on One-VA Enterprise Architecture, if applicable.

Good: Good responses are those that address all of the above stated requirements and include conclusive data to support all statements.

A good response might include, but is not limited to, the following:

This initiative directly supports the Secretary's vision of providing One VA world class service as articulated in the "*VA Strategic Plan, 1998-2003*" and the "*National Concept of Operations.*" Specifically, the initiative implements the telephone infrastructure and services necessary to support all performance goals defined for Objective 2: Improve telephone access to information, under General Goal 1: Ease of access, within Section 1 of Part II of the *VA Strategic Plan*. This initiative will build the critical foundation to meet VA Performance Goals for all calls to VBA and provides the infrastructure upon which the capabilities to service NCS, VBA, and VHA customers can be built. This initiative is presently focused on the five business areas of VBA. However, it does demonstrate that the architecture can become crosscutting. For example, in the past, each of the five business units within VBA required their own toll free numbers. With the implementation of the National Automated Response System (N-ARS), it was demonstrated that C&P an EDU could be combined

APPENDIX D-2 (IT CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

into one architectural solution. The N-ARS further demonstrates that a transition to One VA (i.e. One toll free number) can be easily supported. Within the menu structure of N-ARS, a toll free number accesses the top of the menu structure while another toll free number accesses the same menu at the EDU level. It is a simple manner to expand the N-ARS menu to include all five business areas and ultimately, cross VA organizational boundaries.

The quantitative results that have been accumulating with respect to the N-ARS demonstrate that this architecture is clearly moving VBA toward the target objectives. The proposed architecture will provide additional capabilities that will further accelerate the progress.

The VBA is aggressively pursuing the use of telecommunications technologies as a means to support changed business processes within VA and VBA. In particular, the VBA strategy is the basis for the telephone based customer service improvements articulated by the Department in the One VA information technology document issued in January 1998. The VBA customer service strategy has been developed as a result of extensive dialog among VBA customer service leadership regarding the VBA "National Concept of Operations."

Possible Data Source:
- *VA Information Technology Strategic Plan*.
- Vision of Information Technology Enhanced Customer Service.

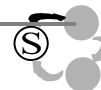## 2. IT TECHNICAL ARCHITECTURE (WEIGHT: 0.128)

The VA Technical Reference Model (TRM) and Standards Profile (SP) provides a road map for projects to migrate to the suite of common standards supported throughout the Department. The TRM's flexibility allows VA organizations to exercise some discretion and control over specific products and systems, while moving VA toward common implementations of infrastructure services.

Please summarize the project's adherence to the following TRM and SP requirements:

- Describe how the project enables and promotes technology integration and communication across systems;
- Describe how the project positions VA to enter into mutually beneficial partnerships internal and external to the Department;
- Describe how the project positions VA to take advantage of innovative technology in performance of business functions and service delivery;
- Describe the project adherence to VA's established performance principles, models and standards;

2.1 Standards

Please address the following Standards requirement:

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Show the extent to which the proposal's overall design and individual system hardware, software, and communications elements use the applicable standards and products set forth in the VA Standards Profile.

In addition, specifically describe how your initiative supports the Department's goal to be compliant with the terms of Section 508 of the Rehabilitation Act. (If your project is not one meant to support Section 508, this should be explicitly stated.) Specifically, describe how your project addresses the criteria set forward in 36 CFR 1194 by the Architectural and Transportation Barriers Compliance Board. Particular attention should be paid to describing support provided by software (both application and operating system), access to information available from web-based intranet and internet applications, TTY functionality for telecommunication products, inclusion of caption decoding for television receiver or display circuitry for all analog television displays measuring 13 or more inches diagonally, and ability of self-contained, closed products to be usable by people with disabilities without requiring the attachment of assistive technology. For more information, please refer to the Code of Federal Regulations part identified earlier.

Unacceptable: Unacceptable responses include:
- those that are left blank or do not contain significant data to support conclusions.
    -Or-
- those projects which deviate from the Technical Reference Model services using standards or products that are not in the VA Standards Profile.

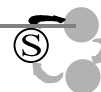**Acceptable**: An acceptable response includes:
- one that is consistent with the standards found in the VA Standards Profile.
    -and-
- one that answers the above stated requirement.

Good: Good responses are those that address the above stated requirement and includes conclusive data to support all statements.

A good response might include, but is not limited to, the following:

The technical specifications of the new patient record system were designed completely in conformance with the VA Technical Architecture of May 1999 and utilizes primarily COTS software. This system will be maintained in the VISN XX headquarters. The following table highlights the technologies employed:

Technologies Employed by Proposed Patient Record System (PRS)		
Category	*Technologies Used*	*Comments*
Operating System Services	Microsoft Windows NT 4.0	All components including databases will be developed around Microsoft based products.
	Microsoft NT Server 4.0	
	Microsoft Back Office	
	Microsoft Information Server	

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Directory Naming Services	DNS	
System and Network Management Services	SNMPv2	
Local Area Network Services	IEEE 802.3u (100 Base-T)	Currently seeking authorization from AAC to employ Gigabit Ethernet.
Wide Area Network Services	Frame Relay ANSI T1.606	
Cable Plant Services	Fiber Optic Cable, UTP Cat. 5	
Connectivity Services	TCP/IP	
Distributed Computing Services	DCOM	Not currently employed by NCA
Data Management Services	SQL	SQL is in compliance with FIPS 127-2. ActiveX and ODBC are new technologies to VHA, but are in accord with the VA Architecture and are employed with VBA and AAC. FTP is secure and for limited use.
	ActiveX	
	ODBC	
Data Interchange Services	FTP	
	SGML, HTML, XML, TIFF	
	HL7 v 2.4	
	EDI-X.435	
	HTTP	
Identification Services	ASTM E1714	
Accountability Services	ASTM 1769, 1869	
Non-Repudiation Services	ITU X.509	
Confidentiality Services	FIPS 46-2 DES IPSEC	IPSEC is under review with dial-up service

The system will utilize a standard 3-tier architecture with a web server being separate from the DBMS and will be fully integrated with existing network services. The mixed use of standard and emerging technologies will ensure an acceptable life with opportunity for incremental upgrades. Additionally, the system provides for scalability. The core of the system is the 3-tier client/server architecture which will allow for further partitioning. As workload or record keeping demands increase, the architecture can be further partitioned and/or scaled to meet requirements.
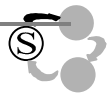
Possible Data Source:
- VA Technical Reference Model and Standards Profile

2.2 Interoperability

Please address the following Interoperability requirements:
- Describe the degree to which the project implements networked data exchange and sharing;
- Describe the degree to which the project implements integration among applications and multi-vendor or multi-platform equipment;
- Identify how the project does or does not have the capability to inter-operate with organizations internal to the Department or with external organizations.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

APPENDIX D-2 (IT CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

Acceptable: An acceptable response includes:
- one that answers all of the above stated requirements.
      -Or-
- a rationale for those proposals that will not have any impact on Interoperability, if applicable.

Good: Good responses are those that address all of the above stated requirements and include conclusive data to support all statements.

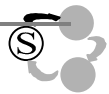A good response might include, but is not limited to, the following:

Virtual VBA is based on the corporate data model developed. This model contains entities, attributes, and relationships that span the entire scope of VBA operations. The design of this model allows for a flexible system that can adapt to VBA's requirements and maintain interoperability among various systems.

Virtual VBA is based on VA Information Technology Standards. System development and integration interoperability is supported by implementing standards and following accepted methodologies. Additionally Virtual VBA shares the technical infrastructure such as hardware, telecommunications, and platforms with existing systems (corporate database) Virtual VBA will operate over the existing infrastructure and can connect to other systems by using technology and interfaces.

A variety of systems are used during the cycle of processing veteran benefits claims, depending on the information needed to complete a claim. C&P staff often perform redundant data entry into these separate systems. These systems include establishing the original claim in BDN, capturing the location of the folder in BIRLS, recording the individual working on the folder in COVERS, rating the claim through the Rating Board Automation System (RBA), and scheduling the veteran exams through the Automated Medical Information Exchange (AIME). Currently, each system requires its own user identification and password for access and each system requires the redundant re-entry of general veteran information. One interface point to all the claims processing systems would increase the efficiency and accuracy of claims processing.

With an assigned user identification and password, users will be able to access a veteran's claim folder and a general information page about the veteran. The general information page will contain links to different VA systems. By clicking the appropriate navigation button, Rating Specialists and VSRs will be able to populate fields in a separate system with the veteran's information presented on the general information screen. By having this interface from the electronic folder, users can easily and efficiently obtain the materials needed for accessing the claim. System interfaces will have the most impact on the productivity of the users of the system. By transferring basic veteran information from one system to another, and having automatic capture of actions into the appropriate indexes, Virtual VBA will not only reduce redundancy and errors in data entry, but will also increase accuracy through a user focus on decision making.

Consequently, this investment will establish an electronic work environment to allow easier access to veteran information and to compliment other VBA and VA information technology initiatives, including the Personal Information Exchange System (PIES), the Claims Processing

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System (CPS), the Information Technology Linkages/Interfaces (BDN/RBA interfaces), and the Automated Medical Information Exchange (AMIE II). This initiative will promote electronic data exchanges between C&P Service, VAMC, the Board of Veterans Appeals, National Cemetery Administration, the Records Management Center, Social Security Administration, Department of Defense and others. With these data exchanges and linkages, this initiative will directly impact accuracy and processing timeliness which will, in turn, lead to increased customer satisfaction.

Possible Data Source:
- VA Technical Reference Model and Standards Profile

2.3 Security

Please address the following Security requirements:
- Describe or indicate the current status of the Security Plan for this project that ensures appropriate confidentiality, integrity, and availability. This includes rules of the system, training, personnel controls, incident response capability, continuity of support, technical security and system interconnection. Refer to OMB Circular A-130, Appendix III, and VA Directive 6210, Automated Information Systems Security, for guidance and NIST Special Publication 800-18 on required content;
- Provide current accreditation status;
- Cite any areas of non-conformance to existing VA and Administration/Staff Office policies for security, privacy, and records retention;
- Summarize key life-cycle information security milestones for the initiative, including dates and associated costs;
- Name the Project Security Officer with phone number and internet address.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.
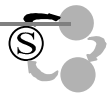
Acceptable: An acceptable response includes:
- one that answers all of the above stated requirements.
      -Or-
- a rationale for those proposals that will not have any impact on security, if applicable.

Good: Good responses are those that address all of the above stated requirements and include conclusive data to support all statements.

A good response might include, but is not limited to, the following:

> Due to the sensitive nature of veterans' medical records, access to information will be limited to the appropriate individuals. Security in the form of user ids and passwords will be used to grant access to specific identified personnel. Currently, in the paper environment, there is limited security of paper folders. Folders can be stacked on desks and on top of filled file cabinets. Anyone can review these folders, however, in an electronic environment, this access is limited.

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Virtual VBA will provide several security functions that will prevent personnel from viewing data not related to their job functions. These security functions include:

- Rigorous identification and authentication.
- 28 Bit Encryption for potential Internet users.
- Firewall security for central site servers.

During the Implementation Planning phase of the project, a detailed security plan will be drafted in accordance with federal regulations, such as the Computer Security Act of 1987. The Virtual VBA project team will create a security plan and train all users and operator of sensitive equipment. OMB Circular A-130, Appendix III, provides the following guidelines for controls for general support systems and outlines a security plan:

- Assign responsibility for security;
- Create a system security plan
- System rules
- Training
- Personnel Controls
- Incident Response Capability
- Continuity of Support
- Technical Security
- System Interconnection;
- Review controls when system modifications occur;
- Management authorizes the security controls.

The physical storage of files will also be more secure with Virtual VBA. Paper is susceptible to wear and damage. Electronic information can be stored and preserved for nearly an infinite amount of time. However, like any IT project, data is subject to electronic failure. As a result, Virtual VBA has implemented two security measures—System back-up and disaster recovery.
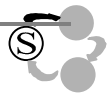
System Back-up
All information stored on optical disks will be copied onto tape arrays and stored in a separate location. Therefore, if the information at the central storage site is damaged or destroyed, a copy of all veteran information will be housed in another location.

Disaster Recovery
Disaster recovery plans will be in place to continue the processing of veteran claims in the event that a major destruction occurs at the central site. The disaster recovery plan includes creating a duplicate capture site, at a separate location. This location will be one of the communication hubs—Philadelphia, Washington D.C., Hines or Austin. This site will be a mirror site to the central site and will house the same hardware and software that is located at the live capture site.   In the event that a disaster occurs, production can move to the duplicate site.   The disaster recovery plan would enable VBA to be up and running within five days of the occurrence.

In addition to the above security measure, Virtual VBA will also include physical security measures at the central site, regional office, back up site, and disaster recovery site. The Virtual VBA hardware will be contained in the locked and secure environment to prevent unauthorized personnel form entering the facility.

Possible Data Source:
- Computer Security Act of 1987 (PL 100-235)
- NIST Special Publication 800-18
- VA Technical Reference Model and Standards Profile
- OMB Circular A-130, Appendix III
- VA Directive 6210, Automated Information Systems Security

3. PROJECT MANAGEMENT (WEIGHT: 0.140)

Project management and control are significant factors toward the successful completion of projects. They are especially important to IT projects.

Please summarize the project's adherence to the following Project Management requirements:

- Define management structures that will be implemented for your project to ensure success and achievement of goals/objectives and costs;
- Identify accountable senior management officials and committees/groups, if any, that will be established for project management, oversight, or guidance/advice;
- Include any pertinent training/certification of the members of the project management team.
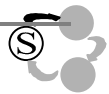
3.1 Acquisition Strategy

Please address the following Acquisition Strategy requirements:
- Identify the contracting office that will be providing acquisition support for this initiative;
- Describe the planned procurement approach, (e.g., multiple awards, sole source, 8A set aside);
- Describe other planned strategies for managing the acquisition, including modular acquisition or performance based incentives for contractors;
- Describe the measure being taken to ensure full and open competition.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:
- Answers to all of the above stated requirements.
     -Or-
- A complete rationale for any proposals that will not have any impact on Acquisition Strategy, if applicable.

APPENDIX D-2 (IT CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

Good: Good responses are those that address all of the above stated requirements and include conclusive data to support all statements.

A good response might include, but is not limited to, the following:

> The contracting office will be the C&P, Regional Office XXX. Phone: (XXX) XXX-XXXX.

> The acquisition strategy approach is to develop the RFP and select the Virtual VBA prime contractor. The award to the prime contractor will be a single competitive award. The prime contractor will be responsible for working with VBA management to design, configure, and install Virtual VBA. This contractor may subcontract out specific functions of implementation, but the prime contractor is ultimately responsible for ensuring that the project is completed in accordance with VBA's schedule, cost, technical, and functional requirements. The prime contract would be designed in a modular fashion with identified critical milestones. Upon reaching a milestone, the completed work will be assessed by VBA management to verify satisfactory completion before payment. In addition to the prime contractor, a separate contract will be awarded for later stages, in order to assure objectivity.

> A monopoly on future procurements will be avoided due to the selection of COTS standard-based systems. The market for imaging software and hardware consists of multiple vendors.

> Overall, the following two broad strategies will guide the acquisition:

> - VBA's business needs will drive Virtual VBA. Virtual VBA will be designed to support the goals and objectives of the organization. Specifically, Virtual VBA will be implemented to improve the C&P claims processing. Requirements sessions with C&P staff, during the acquisition phase of the project, will be conducted to ensure that the end product enables users to be more efficient and accurate in their work.

> - Virtual VBA will be based on COTS products. The Clinger-Cohen Act mandates use of COTS products when practical because of their many advantages, including ease of upgrading, rapid deployment, and foundation in best business practices. Another advantage is that many large commercial companies now offer COTS products in the federal marketplace.
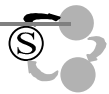
Possible Data Source:
- Federal Acquisition Strategy (FAR)- Part 7 - Acquisition Planning. (Federal)
- Federal Acquisition Strategy (FAR)- Part 807 - Acquisition Planning. (VA)
- Federal Acquisition and Streamlining Act of 1994

3.2 Project Structure

Please address the following Project Structure requirements:
- Provide an implementation plan with milestones and key decision points;
- Describe measures that will be used to assess performance and achievement of goals/objectives;
- Describe desired/expected outcomes;

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- Describe how the project will be implemented on time, within cost (achieving 90% of schedule and cost goals) and how the proposal will be implemented (achieving 100% of performance goals) as planned.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:
- one that answers all of the above stated requirements.
    -Or-
- a rationale for those proposals that will not have any impact on project structure, if applicable.

Good: Good responses are those that address all of the above stated requirements and include conclusive data to support all statements.

A good response might include, but is not limited to, the following:

A formal project manager, *John Doe*, will manage the project.   Voice customer access project plans will be reviewed by VBA project manager, support contractor. Status of project will be regularly reported in accordance with the project plan and to the VA CIO Council. Status reports will include a schedule update, actions completed, issues, problems, and next steps.   Critical Milestones include:
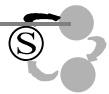
- Acquisition Planning
- Acquisition
- System Development
- Test and Pilot
- Deployment

The VBA project manager will report monthly to the program manager on the achievement of or deviation from, the cost and schedule goals of developing and implementing the approved call flow architecture. If cost and/or schedule exceeds a 10% negative variance resulting from contractor error, the contracting officer will execute predetermined penalty consideration clauses in the contract. If the negative variance is the fault of the Government, the project manager will escalate the deficiency to the program manager for consideration. The program manager will take appropriate action to keep that problem from impacting subsequent incremental tasks or program development or implementation phases.

Possible Data Source:
- Government Performance and Results Act (GPRA) of 1993
- Clinger-Cohen Act of 1996
- OMB Capital Programming Guide
- GAO Best Practices

3.3 Technical Approach

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Please address the following Technical Approach requirements:
- Describe the development approach, (e.g., phased deployment, pilots/prototypes, test plan, development tools, etc);
- Identify specific technical factors likely to affect the project implementation.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:
- one that answers all of the above stated requirements.
    -Or-
- a rationale for those proposals that will not have any impact on Technical Approach, if applicable.

Good: Good responses are those that address all of the above stated requirements and include conclusive data to support all statements.

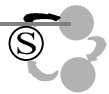A good response might include, but is not limited to, the following:

> The Virtual Information Center (VIC) furthers the call processing evolution by viewing call handling on a Service Delivery Network wide basis. The veterans' access to VBA information and services is extended by the application of technology to provide an expanded homogeneous telephone servicing work force. This expanded work force consists of all of the Veteran Service Representatives located throughout SDN Regional Offices who are then interconnected via a telecommunications network made up of commercially available open system products.

> The information center deployment strategy is a three stage process. The first stage is a pilot program. This will be completed in select offices, over a 3 month period. Statistics and customer surveys will be produced to determine effectiveness and deficiencies. The second stage takes the results from the first stage to modify the system to address the identified needs of the user. Finally, the third stage is full regional deployment.

> The Virtual Information Center approach uses the combined resources of all Regional Offices within each SDN as a common pool (resource sharing) to answer veteran calls. The VIC system would improve telephone access and increase the number and types of access points for services. Primarily the VIC would receive calls from the N-ARS and attempt to route the call to the Regional Office of Jurisdiction (ROJ). If all Veteran Service Representatives are busy, or all circuits are busy, then the call would be routed to another Regional Office within the SDN. The increased number of Veteran Service Representatives now available within the resource pool increases the number of virtual access points to serve the veteran

Possible Data Source:
- Government Performance and Results Act (GPRA) of 1993
- Clinger-Cohen Act of 1996
- OMB Capital Programming Guide
- GAO Best Practices

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4. CUSTOMER ACCEPTANCE (WEIGHT: 0.200)

All IT projects rely heavily on the customer's ability and acceptance of the product. An assessment of customer acceptance is important to the project's ability to accomplish its mission. There are three Customer Acceptance subcriteria: Experience with Technology, Organizational Support, and Ease of Use. Please evaluate and respond to each of the categorical questions.

4.1 Experience with Technology

Please address the following Experience with Technology requirements:
- Describe VA (e.g., project, customer) and contractor experience with the technology, as applicable;
- Include the record of performance;
- If available, please provide details of similar technology implementation elsewhere;
- Describe the outcome.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.
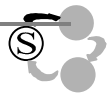
Acceptable: An acceptable response includes:
- one that answers all of the above stated requirements.
     -Or-
- a rationale for those proposals that will not have any impact on Experience with Technology, if applicable.

Good: Good responses are those that address all of the above stated requirements and include conclusive data to support all statements.

A good response might include, but is not limited to, the following:

> SACONS is a Windows based application. Most end users are familiar with the system and can use the SACONS interface without significant training. Further, CACI provides user support and training courses on SACONS at NAC and VASS. Internal questionnaires indicate a 80% user familiarity with Windows .

> CACI has been the leading provider of automated procurement software for the Federal Government for over a decade, first deploying SACONS in 1988, followed by related products. They have been well respected within the Federal Government and employees are familiar and proficient with their software. Over the past decade, SACONS has received letters of recognition and positive feedback from Federal Agencies. (Attachment XXX)

APPENDIX D-2 (IT CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

4.2 Organizational Support

Please address the following Organizational Support requirements:

- Describe the level of support for the proposal;
- Address internal operations and management, cross-organizational and external buy-in.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:
- one that answers all of the above stated requirements.
     -Or-
- a rationale for those proposals that will not have any impact on Organizational Support, if applicable.

Good: Good responses are those that address all of the above stated requirements and include conclusive data to support all statements.

A good response might include, but is not limited to, the following:

> VA and other agencies have supplied numerous documents to substantiate support for the initiative. (Attachment XXX) "VBA Initiative Summary" defines the major initiatives that have been implemented in the past. The Under Secretary has issued a statement on the VBA initiatives that supports the pursuit of enhanced telephone systems:

> "we have initiated several projects that are part of a national phone strategy that is designed to reduce our blocked call rate and, at the same time, route calls to employees who are in the best position to provide the most comprehensive response." (*Suggested Remarks for the Under Secretary's National Broadcast on the Status of VBA's Phone Initiative.*")
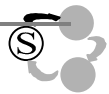
> VBA supporting organizations, such as the American Legion, have also been informed of VBA's intention to pursue advanced telephone systems to support the veteran and resoundingly support the initiative. (Attachment XXX) Fact sheets have been issued by the Deputy Under Secretary for Field Operations, reporting the support for such a initiative in "Fact Sheet: Telephone Access to VBA." (Attachment XXXX)

4.3 Ease of Use

Please address the following Ease of Use requirements:
- Describe the "user friendliness" of the project;
- Describe training, guidelines and instructional documentation;
- Have customer surveys been conducted to determine satisfaction?

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

APPENDIX D-2 (IT CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

Acceptable: An acceptable response includes:
- one that answers all of the above stated requirements.
    -Or-
- a rationale for those proposals that will not have any impact on Ease of Use, if applicable.

Good: Good responses are those that address all of the above stated requirements and include conclusive data to support all statements.

A good response might include, but is not limited to, the following:

> Virtual VBA will be developed with the end user in mind. It will create a user-friendly environment where users can easily navigate through veteran claim folders. This will be accomplished through detailed requirement sessions with end users. These requirement sessions will be used to tailor the document management software and to develop the indexing breakout. With C&P staff input, the system can be designed to provide a comfortable "look and feel" to the end user.
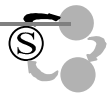
> In an effort to begin to define end user requirements of the imaging system, a weeklong Joint Requirements Planning (JRP) session was held. Subject matter experts form both the paper-based claims process and the Washington Regional Offices' prototype for an electronic work environment were involved to determine the system requirements that are needed by end-users. These subject matter experts represented each of the functional areas of C&P claims process that would be affected by imaging.

> The JRP sessions included working in a laboratory environment where real claims were worked in the prototype imaging system.   A series of use cases were chosen that represent the numerous variables that can occur with original claims. Form these use cases, several experts with hands on experience in an electronic work environment and allowed them to provide feedback on the ease of use and the screen requirements that an imaging system would need to provide. These sessions provided high-level user requirements on the following:

> - Screen Requirements
> - System Interfaces
> - Navigation
> - Folder Indexes
> - Reports
> - Workflow Requirements
> - Security/Audit Trails
> - Workload

> More information about the user requirements is located in Appendix XXXX.

> Several C&P personnel who participated in the early requirements session also took part in a decision analysis. Staff members were familiar with both the current paper environment and the possibilities of the electronic environment. The major result from the decision session was that the employees felt that the electronic environment was 5.45 times more preferable than the

current paper environment. (Attachment XXXX) Further, they believed that the new system would be easier to use. 48% of those customer surveyed indicated that they believed an electronic environment would increase efficiency and decrease user error.   68% viewed the initiative as something that would "increase the effectiveness" of VBA personnel.

The Virtual VBA project team also includes personnel to create user manuals, design training programs, and conduct training sessions. Two training programs will be developed. The first program will train the document capture personnel working at the central storage site. These personnel will be trained on recognizing VBA documents, creating electronic folders, indexing requirements, as well as the technical use of the equipment. The second set of training will be conducted at each RO.   Employees who will use the system to process veteran claims will be trained on accessing veteran folders, navigating through a claim folder, utilizing system tools for efficiency, and adapting to the new business processed.

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5. MINIMIZING RISK (WEIGHT: 0.069)

Risk is an inherent part of any capital investment. However, project risk can be mitigated. Identifying and controlling project risk can significantly impact a project's success. In this case, IT risk should be evaluated based upon three risk drivers: Technical, Schedule and Financial.

Please summarize the project's adherence to the following risk requirements:
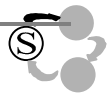
- Describe known or anticipated risks (e.g., technology being acquired/developed is new to the market or to VA) and how they can be minimized;
- Describe any impacts of known and/or anticipated risks;
- Has a Risk Management Plan been developed to address the management and mitigation of the risks and effects identified during the alternatives analyses? If so, please describe;
- List relevant audits and studies conducted in the past 3 years. Identify who did them and their key findings.

5.1 Technical Risk

Please address the following Technical risk requirements:
- Describe how this project will be conducted, (e.g., in-house development or use of commercial-off-the-shelf (COTS) software systems);
- Describe how technology will be integrated into existing systems;
- Provide information on how you plan to minimize technical risk of systems that are not working as designed.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

APPENDIX D-2 (IT CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

Acceptable: An acceptable response includes:
- one that answers all of the above stated requirements.
  -Or-
- a rationale for those proposals that will not have any impact on Technical Risk, if applicable.

Good: Good responses are those that address all of the above stated requirements and include conclusive data to support all statements.

A good response might include, but is not limited to, the following:

> This initiative will be implemented by COTS telephony equipment and from vendors that support industry standards, thereby reducing the technical risk of interoperability. The telecommunications industry has made significant advances in supporting industry standards so that equipment form multiple vendors can be interconnected. Because of these advances in common standards and methods of communication it is now possible to implement a telecommunications system that is not dependent upon one vendor. Some of the typical standards include:
>
> - CTI (Computer Telephony Integration): provides for the integration of computers and telecommunications equipment.
> - QSIG: a standard messaging protocol used between separate systems.
> - TAPI (Telecommunications Application Protocol Interface): a Microsoft standard for communications between computers and telecommunications systems.
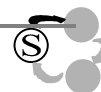> - TSAPI (Telephony Server Application Programming Interface): Novell's equivalent to Microsoft's TAPI.
>
> The existing telephone systems all have some form of standard MIS packages that can typically be modified by the end users. Focusing the majority of MIS activities at the primary equipment location will obviate the lack of standardization. The MIS program will enable the managers to determine the telephone activities at each of the Regional Offices that are part of that particular VIC.
>
> This technology is highly reliable and typically is designed for an availability factor of 99.999% (according to Voice Gate, Inc. Telecom Consulting.) None of the required technology is in the beta stage of development or even the first phase of implementation. This initiative, although state-of-the-art, is not "bleeding edge" technology.
>
> As demonstrated in the CBA, this initiative will be implemented on a SDN by SDN basis. Some of the SDNs will require completely new equipment purchases that are based on homogenous vendor equipment. In other cases, it will be necessary to provide significant upgrades in hardware and software. The procurement plans are designed to minimize both cost and technical risk by defining the equipment purchases to each SDN individually over a multiple-year purchase/installation plan.

Possible Data Source:
- Government Performance and Results Act (GPRA) of 1993
- Clinger-Cohen Act of 1996
- OMB Capital Programming Guide

- GAO Best Practices

5.2 Schedule Risk

Please address the following Schedule risk requirements:
- Describe known or anticipated schedule risks. Provide plan to minimize the risk of schedule over-run;
- Describe what will be accomplished, including life cycle stages (e.g., feasibility study, design, development, implementation, operation, maintenance, evaluation) and other major milestones (e.g., problem definition, develop SOW, award contract, pilot, testing) each year with the proposed funding;
- Describe the corrective actions that will be taken if the project schedule is at variance with the plan;
- Provide the percentage that has been established as the tolerable variance that, when exceeded, results in corrective actions.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:
- one that answers all of the above stated requirements.
  -Or-
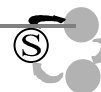- a rationale for those proposals that will not have any impact on Schedule Risk, if applicable.

Good: Good responses are those that address all of the above stated requirements and include conclusive data to support all statements.

A good response might include, but is not limited to, the following:

> This project plan calls for VBA to continue operating its ongoing pilots while the development work is completed on this solution. Upon approval of this initiative, the plan calls for initiation of the development of the detailed operational model for all VBA elements. In order to mitigate risk, several approval points have been included in the project cycle.

Phase I – Define End State	Begin Mo/Year	End Mo/Year
Concept of Operations	06/2000	10/2000
National toll free access for Education customers	09/2001	01/2002
SDN 2VIC Pilot	09/2001	12/2002
Expand customer access to N-ARS (6 ROs)	09/2001	02/2002
Loan Guaranty Telephone Access Improvement	03/2002	05/2003
Expand Access to N-ARS nationwide	04/2002	12/2002

Phase 2 – Define VBA Migration Strategy	Begin Mo/Year	End Mo/Year
Document RO telephone asset profile	**04/2001**	**08/2001**
Define migration strategy for each SDN	**12/2002**	**04/2003**

APPENDIX D-2 (IT CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

Phase 3 – Implementation	Begin Mo/Year	End Mo/Year
Integrate SDN plans into national VIC plan	05/2003	07/2003
Execute national VIC plan	08/2003	10/2008

VBA recognizes that a clear and coherent strategy is essential for the successful implementation of this initiative. To this end, VBA has developed a plan for moving VBA toward a defined VBA Telephone Access end-state to support implementation of BPR changes. The development of the VBA Telephone Access system will involve three distinct phases.

The first phase, Define End State, involves the development of a national concept of operations for customer access and supporting business requirements. In order to proceed with this effort, the NTSGB was established to complete the Concept of Operations task. A report entitled "National Concept of Operations for Telecommunications Access to VBA Information and Services" (Attachment A), documents the work of the NTSGB and recommends a new method of operations for VBA.

The first phase will also include the development of a VBA Telephone Access and service model that details the concept from a business and technical perspective. A detailed engineering and business process design is being developed as part of a Virtual Call Center pilot test in Service Delivery Network 2.
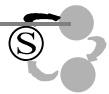
A recommended VBA Telephone Access strategy, based on new business processes and technical model developed in this phase, will be presented to VBA senior management for their approval.

In the second phase, Define VBA Migration Strategy, each SDN will be required to develop a migration strategy and plan detailing how it will move toward the approved VBA Telephone Access end-state detailed in Phase One within the time frames established by the Undersecretary for Benefits. Basic infrastructure and management elements for the VBA Telephone Access system will also be established during this phase.

The final phase, Implementation, involves execution of the SDN migration plans defined in the previous phase. The migration plans will define responsibilities for all traditional implementation activities such as site preparation, procurement, installation, testing, and training. This phase will also include the application of specific capabilities required to fully enable the VBA Telephone Access vision. Full implementation of a national level VBA Telephone Access system is contingent on available funding.

Successful and timely implementation of the VBA Telephone Access strategy on a national level is dependent upon the following factors:
- Each SDN will have and abide by a comprehensive strategy that moves it towards the defined national VBA Telephone Access end-state
- Funding will be identified and allocated in order to implement the initiative
- The customer's ability to access status information via the ARS will occur as the corporate database is developed and deployed.
- No PBX.ACD purchases will be made unless consistent with the VBA Telephone Access end-state
- There will be no delays in contractor support for analytical activities
- Current procurement rules will remain in effect

APPENDIX D-2 (IT CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

It should be noted that OIM is working closely with the business lines' BPR efforts, providing technical guidance and support as they address issues related to customer access. As these teams further define business requirements regarding electronic access and call centers, the strategy outlined above may be modified.

The key risks that VBA has identified are availability of funding, project management support, and VA support and approval cycle. VBA has put in place a number of mechanisms in order to mitigate these risks. They include:

- VBA has a well developed and supportable cost estimates for the project and developed a full life cycle Cost Benefit Analysis which clearly identifies VBA business results and benefits. In addition, we are instituting earned value analysis in order to monitor cost and schedule progress and will take immediate action on tasks that reach or exceed a 10% variance (the allowable threshold established by OMB). If this threshold is met, the designated project management team will institute the corrective actions.
- VBA has strong senior management support of this mission critical customer access strategy. For example, Deputy Undersecretary for Operations formally charters each project. The Deputy Undersecretary for Benefits has appointed a senior special assistant for Business Process Reengineering who is instrumental in shaping, initiating, and executing customer access projects that are essential to VBA's reengineered business processes.
- VBA utilizes a formal project management methodology, which includes support from a contractor specializing in project management.

VBA utilizes an incremental approach to execute this important initiative. Each project is carefully planned and scoped to ensure that incremental benefits and capabilities are delivered throughout the life of this initiative. Taken together, these strategies for funding, business analysis, and project management will mitigate the risks associated with this customer access initiative.
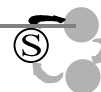
Possible Data Source:
- Government Performance and Results Act (GPRA) of 1993
- Clinger-Cohen Act of 1996
- OMB Capital Programming Guide
- GAO Best Practices

5.3 Financial Risk

Please address the following Financial risk requirements:
- Describe any financial risk;
- Describe how you intend to minimize the financial risk of low return on investment;
- Detail how would you address cost overruns associated with schedule delays;
- Provide a corrective action plan that will be enforced if the proposal cost is at variance with the plan;
- Provide the percentage that has been established as the tolerable variance that, when exceeded, results in corrective actions.

APPENDIX D-2 (IT CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.
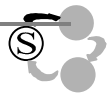
Acceptable: An acceptable response includes:
- one that answers all of the above stated requirements.
   -Or-
- a rationale for those proposals that will not have any impact on Financial Risk, if applicable.

Good: Good responses are those that address all of the above stated requirements and include conclusive data to support all statements.

A good response might include, but is not limited to, the following:

> The risk of meeting the projected costs is affected by changes in the core assumptions. Changes can have a significant impact on the total life-cycle costs of the alternatives. Therefore, this analysis identified the assumptions that had the greatest impact on the overall costs of Virtual VBA. These cost drivers were to illustrate the cost sensitivity of changing the assumptions. The following table presents the major cost drivers.

Driver	Cost Impact	Current Assumptions
Concept of Operations The vision of how C&P claims processing should be integrated with imaging technology to most effectively process claims.	The Concept of Operations impacts all of the cost elements in the model.	Assumption: The concept of operations is used as basis for all of the alternatives. Assumption basis: Based on discussions with industry experts who have implemented imaging systems and requirements sessions with VBA users.
Length of Implementation The amount of time needed to fully rollout the imaging system in VBA's environment.	The length of implementation impacts the personnel costs associated with rolling out the system.	Assumption: Virtual VBA will take 2 years to implement and will be completed by the end of FY2002 Assumption basis: Based in discussion with industry experts who have implemented imaging systems.
Workload The number of claims and number of pages processed by the imaging system each year.	Workload is used in capacity planning for hardware and imaging software and in determining ongoing maintenance costs. In addition, the workload affects the cost of the outsourcing alternative, which is based on a fixed fee per storage image.	Assumption: Only future Original Claims will be scanned. -Original claims/year is 386,000 -Pages scanned/year is 77,000,000 -Images stored/year is 132,000,000 Assumption basis: FY 1998 claims data.

APPENDIX D-2 (IT CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

If any of the current assumptions identified in the above table change, the projected costs for the alternatives would be altered. In order to minimize the possibility of cost overruns associated with schedule delays, the Virtual VBA project costs include over $9 million for project management and oversight in the first three years. Implementation of Virtual VBA must be carefully monitored. The Steering Committee, Risk Management Team, and Project Management Team will be responsible for monitoring costs and schedule variances and responding to changes. Costs have been included for a large amount of equipment and staff to account for all possible functional and technical areas, this includes over 150 separate cost elements. These elements are contained in Appendix A2. In addition, mitigating strategies have been included in this application to monitor cost risk. These strategies include the establishment of the Steering Committee and Project Management Team and the adherence to the Risk Management Plan. These strategies in conjunction with a comprehensive cost estimate will keep costs within a 10% variance.

Possible Data Source:
- Government Performance and Results Act (GPRA) of 1993
- Clinger-Cohen Act of 1996
- OMB Capital Programming Guide
- GAO Best Practices

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